

the future matters



Amanda Perry
TD Friends of the
Environment Foundation
Regional Manager

“My work reminds me that this is the only Earth we have and we must take care of it,” says Amanda Perry, Regional Manager, TD Friends of the Environment Foundation (FEF), who helps groups across Western Canada apply for environmental project funding. Amanda feels strongly that FEF makes a lasting impact. She recently heard from parents who told her that their children still talk about a FEF-sponsored salmon-hatching program six years ago. “This feedback tells me why we do what we do.”

to our environment

We believe that TDBFG can help safeguard the environment through our roles as a charitable donor; as a consumer of finished products, supplies, and energy resources; and as a major lender.

1,000+ community environmental projects sponsored through FEF • environmentally responsible business practices

Environmental sustainability is one of the most serious matters we face today, and taking care of the environment is a fundamental activity that benefits all TDBFG stakeholders. Through the TD Friends of the Environment Foundation (FEF), we try to make a difference by sponsoring and promoting community-based projects, research, and education in support of our environment.

We also try to make our commitment to the environment an integral part of how we operate. For a number of years, we have incorporated environmental considerations into our business activities, from energy conservation methods to materials recycling and reduction activities, despite the difficult task of making the right, informed choices and balancing priorities. While there is still much to do, we know this is the right direction to take because it matters greatly to TDBFG and our stakeholders. Customers, for example, tell us so in survey after survey – and more than 165,000 customers donated to FEF in 2003, demonstrating they feel strongly about preserving our environment for future generations.

TD Friends of the Environment Foundation (FEF)

FEF is one of our flagship community programs – and one of the top corporate foundations in Canada by both the number of grants provided each year and their total dollar value. It is a unique, not-for-profit organization whereby customers, employees, and TDBFG work together to donate both time and money to support the efforts of Canadians dedicated to protecting, understanding, and raising awareness of the environment.

Customers and employees can donate funds through their TD Canada Trust account to over 115 local FEF chapters across the country. They can also volunteer as advisory board members for FEF chapters in their communities, to help evaluate and recommend local projects for funding. Last year, over 165,000 customers donated funds to environmental initiatives through FEF, and more than 1,200 customers and employees volunteered as advisory board members. TDBFG contributes \$1 million per year to FEF and also covers its administrative costs.

In 2003, FEF contributed more than \$3.2 million to 1,000-plus environmental initiatives – only a sample of which are highlighted in this section. Since its inception in 1990, FEF has provided in excess of \$32 million to over 13,500 projects.

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There are three focus areas for FEF-sponsored projects. Funding goes to initiatives that:

- 1) Protect and preserve the Canadian environment;
- 2) Help educate Canadians, especially children, about environmental issues;
- 3) Support environmental research and cooperation among environmental organizations.



Left: Two environmentally conscious employees take time away from their jobs to clear waste from a local riverbank. **Centre:** Employee volunteers in Vancouver, B.C. showcase their “catch” during the Great Canadian Shoreline Cleanup. **Right:** In support of environmental preservation, the Eglinton Park Heritage Community Garden in Toronto was funded by FEF.

Protecting the Canadian Environment

Though Canada is blessed with an abundance of land and resources, it is essential that we act to protect and preserve our natural surroundings. Here are a few examples of FEF projects in this area in 2003:

- *Great Canadian Shoreline Cleanup:* In 2003, a popular annual West Coast cleanup event was expanded nationwide, and FEF was the presenting sponsor. The September 13–21 initiative brought together an amazing 20,000 volunteers coast to coast to cleanup Canada’s ocean, river, and lake shorelines. TDBFG employees, families, and friends pitched in in many communities, including 46 Oshawa-area employees who collected 27 bags of garbage at a Durham County event.
- *Medicine River Wildlife Centre (MRWC):* As Alberta’s largest wildlife hospital and education centre, MRWC received FEF funding to upgrade all existing outdoor hospital cages and construct four new compounds. The outdoor hospital cages play a vital role in the success of rehabilitating wild animals and birds.
- *Bruce Trail Association – Niagara Escarpment:* To shelter the Niagara Escarpment’s forests and watersheds from development pressure, FEF has supported a campaign by the Bruce Trail Association to purchase available remaining conservation corridors, aiming to preserve public access and restore 1,650 hectares of escarpment land.
- *Low Impact Trail Project:* With a grant to the Grand Concourse Authority, FEF helped cover the cost of purchasing native trees and shrubs as well as building materials for a low-impact trail linking Mundy Pond-Cowan-Bowring in Newfoundland.
- *Spruce Cove Wildlife Rehabilitation Centre:* Located in Nova Scotia, the centre aids injured and orphaned raptors until they are ready for release back into the wild. FEF provided funding to help build a flight pen.

Environmental Education

Raising awareness of our fragile environment through educational initiatives is especially important, particularly those focused on helping young Canadians understand and participate in environmental projects in local communities. In 2003, we supported:

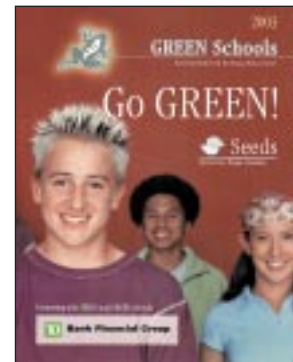
- *Schoolyard Naturalization:* FEF supported the creation of green space, including shrubs, trees, and landscaping, at St. Agnes Elementary School in Moose Jaw,

Saskatchewan, encouraging young people to develop a sense of environmental pride by being given a pleasant, natural area to enjoy.

- *Idling Awareness Campaign:* Vehicle emissions are one of the leading causes of smog and climate change. FEF partnered with the City of Burlington, Ontario, to launch an anti-car idling project. FEF support will allow the city to install 50 “idle-free zone” signs plus 2,500 awareness posters.
- *Manitoba Envirothon:* This interactive education program involves high school students from grades 9 to 12 in Olympic-style competitions to experience hands-on environmental issues.
- *B.C. Bike Month:* To help address the Greater Vancouver region’s overcrowded transportation network and improve air quality, the BEST organization (Better Environmentally Sound Transportation) hosted Bike Month in June 2003 to encourage as many people as possible to cycle rather than travel by car.
- *Nepisiguit Centennial Library:* FEF supported this public library in New Brunswick with the purchase of environmental resources on issues such as climate change and forest conservation.

Supporting Environmental Research

Effective conservation requires in-depth research to collect environmental data, to assess the impact of society on our ecosphere, and to gauge the effectiveness of our



Left: Poster promoting and encouraging Canadians to join the week-long event sponsored by FEF to clean shorelines across the country. **Right:** Green Schools, an environmental education program, is one of many initiatives that received FEF support in 2003.

restoration efforts. Coordination among diverse organizations is necessary to encourage effective use of resources and knowledge-sharing. In 2003, FEF contributed to:

- *McGill Solar Car*: With support from FEF, students at Montreal's McGill University constructed the world's lightest solar car, which can travel 120 km per hour and use no more power than a hair dryer. The work of Team iSun will help advance research into energy-efficient transportation methods.
- *Hamilton Environmentalists of the Year Awards*: This long-running annual event recognizes leading citizens and businesses that have dedicated energy and expertise to research, education, or improving the local environment, as well as student awards for environmental conservation.
- *Friends of Gardom Lake*: This widely used lake in Salmon Arm/Vernon, B.C., is primarily spring-fed and therefore very sensitive to contamination by pollutants because it does not "flush" itself. FEF funding made it possible to purchase equipment for use by volunteers to regularly monitor lake water quality.
- *TD Bank Graduate Scholarships in the Environment*: TDBFG provided a \$900,000 endowment to the University of Waterloo. Six annual awards, valued at \$5,000 each, will allow the university's most talented environmental researchers to develop urgently needed technologies and knowledge for the future.

More info: www.fef.ca



Above: A grant from FEF is helping support a research program at Biodôme de Montréal to safeguard the wood turtle, an endangered species. The results will be shared with schools, community groups, and local residents.

Operating with the Environment in Mind

Our commitment to protecting the planet is an integral part of how we operate within TDBFG. Outlined below are some of our internal environmental practices and programs.

Our Properties and Facilities

Our retail and corporate real estate departments are committed to managing our facilities in an environmentally prudent manner that helps preserve renewable and non-renewable resources.

- One of the Bank's largest environmental impacts is the use of energy resources, with a typical branch spending 90% of its utility costs on electricity. In 2003, a national energy-management initiative was completed by installing digital sign lighting controls in 575 branches – more than half our branch network. This project reduced our electricity usage by more than 25,000,000 kilowatt hours/year, resulting in 4,700 fewer tonnes of CO₂ greenhouse gas emissions. We will continue to manage our energy usage by benchmarking our energy consumption, conducting energy bill audits, and introducing new conservation measures.
- We specify that all branch landscaping and lawn maintenance is pesticide-free and all maintenance services use water-based or environmentally friendly cleaning chemicals and materials.
- We maintain recycling and energy conservation programs in our corporate offices, including our company-owned buildings. For example, at our two main office complexes in Montreal, we achieved energy savings through reduced lighting levels equal to \$14,597, and recycled 81 metric tonnes of paper. At the landmark TD Centre in Toronto, in which we are a tenant and occupy 33% of the office space, more than 70% of waste was diverted from landfill through recycling programs.



Quick Facts about FEF

- Non-profit foundation run exclusively by TDBFG to support the efforts of Canadians who are dedicated to the well-being of our environment.
- Over 115 local FEF chapters across Canada evaluate and recommend community environmental projects for funding.
- A unique model of business-community partnership: customers and TDBFG employees serve as advisory board members for FEF chapters in their communities and can also donate funds to FEF through their TD Canada Trust account.
- TDBFG contributes \$1 million per year to FEF and covers operating expenses.
- Over \$32 million given to 13,500-plus community environmental projects since FEF's launch in 1990.



Left: TDBFG continually upgrades its head office and branch premises with environmentally efficient lighting systems and energy conservation initiatives. **Right:** TD Canada Trust locations, including Calgary's Crowfoot Branch, utilize pesticide-free landscaping and lawn maintenance, including water-based or eco-friendly supplies.

Our Banking Services

TD Canada Trust was among the first major Canadian financial institutions to roll out paperless banking services, eliminating branch transaction documents and reducing paper consumption. The introduction of electronic bill payment processes in branches resulted in a dramatic 80% reduction in paper bill payment volumes in 2003.

We encourage customers to use paperless banking methods, such as pre-authorized bill payments, telephone and online banking, and direct deposit programs. In 2002 and 2003, our customers continued to embrace these electronic services:

- Paper bill payments now represent just 4% of all bill payments.
- Today 41% of customers use account passbooks, down by 5% since last year.
- Paperless recordkeeping grew by 94%, and is now used for 6% of all personal accounts.
- Cheque volumes declined by 6% since last year.
- Our ABMs let customers decline a transaction printout, reducing paper and waste considerably.

Our Lending Practices

As a major provider of lending and credit services, environmental considerations are incorporated into our lending and risk management processes in order to mitigate environmental liability that could accrue to the Bank, for both new as well as existing clients.

Within Commercial Banking, we incorporate appropriate environmental due diligence as an integral part of the lending process. Bankers conduct site visits with all borrowers, and each account is assigned an environmental risk rating. Based on the environmental risk rating, an environmental questionnaire or Phase I or II assessment may be required.

Similarly, on the wholesale banking side, TD Securities adheres to an environmental risk policy and does not proceed with lending or underwriting transactions until satisfied that all environmental regulations have been followed. We carefully consider a client's environmental policy and track record and conduct in-depth due diligence (including site visits, environmental questionnaires, and Phase I or II reports completed by qualified, accredited professionals) based on the assessed environmental risk rating. Where there are legal issues regarding the applicability of environmental law to the Bank's position, TD Securities will engage experienced outside counsel. We also pay particular attention to each client's corporate governance practices, assessing the independence,

experience, and qualifications of the members of the board of directors in light of the board's duty to supervise management decision-making in all areas, including environmental responsibility.

Operational Efficiencies

Produce Environmental Benefits

As we seek business efficiencies across the organization, we often also achieve direct or indirect environmental benefits. For example, as we migrate business processes from paper-based files and manuals to electronic systems, we eliminate the need to produce, re-print and destroy hard-copy editions. In 2003, a project team reviewed and evaluated all paper reports that are sent to retail branches. As a result, approximately 25% of all existing reports were eliminated or reduced to an online format. We have successfully reduced the amount of stationery consumed each year by approximately 44.5 million sheets.

Making Environmental Choices

We attempt to incorporate environmental values into our purchasing decisions and, whenever possible, we seek environmentally responsible suppliers who meet or exceed government guidelines or ISO certifications that encompass environmental standards. For example:

- We have a major program in place to recycle toner cartridges and have Bank-wide compliance of 85%.
- We have reduced the number of hard-copy forms stored in our warehouses from 11,000 to 4,600 and maintain 1,800 electronic branch forms so they can be printed on demand, resulting in zero obsolete inventories.
- Across Canada we participate in confidential paper shredding programs. In Eastern Canada alone, we shred approximately 480,000 pounds of paper per year.
- Cheques are printed using vegetable-based inks on recyclable paper. In addition, cheque packaging has been designed to reduce waste and cheque storage cartons are made from recycled board. Letterhead and business card vendors use at least 20% post-consumer materials and vegetable oil inks, and recycle chemical wastes.
- The vast majority of marketing materials produced on behalf of TDBFG, including brochures and posters, are produced on chlorine-free, recycled paper using high percentages of post-consumer waste material whenever possible. Primarily vegetable inks are used, and all residue chemicals and manufacturing supplies are reprocessed and recycled, including solvents, cleaning agents, oils, and printing plates.

Giving Investors Environmental Choices

Investors require detailed and regular communications throughout the investing process so our wealth management area has introduced ways to lower printing and distribution volumes, partly through “smart systems” that avoid duplicate mailings. We also provide clients with service options that reduce consumption of printed materials:

- Since 1999, we have offered eFunds, 11 low-cost index funds that allow investors to access their accounts, execute trades, and receive communications online. These funds eliminate paper waste while also lowering overall fund expenses.
- Any TD Mutual Funds® investor can choose the eDocuments option so that they receive unit holder communications exclusively via the Web, such as confirmations and statements. As a result of a spring 2003 campaign to promote this option, TD Asset Management Inc. offered to contribute \$10 to the TD Friends of the Environment Foundation for each person who signed up for eDocuments during the promotion, resulting in a \$10,000 donation.
- We give TD Mutual Funds unitholders the ability to “opt in” if they want to receive printed versions of semi-annual financial reports and, as a result, we are able to reduce quantities of this report by approximately 95%.
- TD Waterhouse was the first Canadian broker to offer online access to self-directed brokerage statements and trade confirmations. TD eServices lets clients view these documents plus mutual fund prospectuses online through WebBroker.

Customers who feel strongly about choosing investments with a focus on ethical and environmental issues have access to a number of third-party ethical mutual funds by opening a TD Waterhouse brokerage account.

Partnering to Achieve Environmental goals

TDBFG is a signatory to the Statement by Financial Institutions on the Environment & Sustainable Development, prepared by the United Nations Environmental Program Finance Initiatives (UNEP). The UNEP initiative commits financial institutions to using environmentally sound practices in their internal operations and risk management activities, and to developing products and services that promote the environment.

TDBFG is also a member of the Canadian Bankers Association’s Environmental Issues Advisory Group so that bank representatives can assess ways to incorporate environmental issues and regulations into policies and practices, as well as interact with other banks on environmental issues that may affect the banking industry as a whole.

Looking Ahead

With over 42,000 employees and 1,000-plus offices and branches across Canada, ensuring our many activities across the organization are environmentally sensitive and current with evolving standards is an immense and ongoing challenge. While we have many environmental practices in place, we still have much to do. The successful merger of TD Bank and Canada Trust – the biggest of its kind in Canada’s history – brought together two large organizations with separate environmental systems and programs.

Now that the merger process is virtually complete, a major step we’re taking is a thorough updating and consolidating of our environmental practices into a comprehensive Environmental Management System in 2004. This will allow us to integrate and standardize our activities across our various domestic businesses and ensure that responsible environment conduct is managed, practised, and measured in a consistent, systematic way.



Left: TD Mutual Fund investors can reduce paper consumption by choosing to receive many unit holder communications exclusively in electronic format. **Right:** At TDBFG’s Toronto corporate headquarters, more than 70% of waste is diverted from landfill through recycling programs.



Reusing Redundant Supplies and Equipment

In addition to recycling and reduction efforts, re-using materials is one of the most beneficial ways of protecting our environment. Every year TDBFG donates refurbished computers, laptops, printers, facsimile machines, and projectors for use in the community. For example, in 2003:

- We provided the Children’s Aid Society of Toronto with more than 150 computer components including PCs, monitors, and printers.
- The Computers for Schools program in Calgary, Alberta, received 50 computers.
- We donated a currency counter to the Canadian Cancer Society to help them calculate cash donations.
- Engineers Without Borders was the recipient of 30 personal computers to support their outreach activities.

Left: Vivien Fernandes of TD Operations Support in Etobicoke, Ontario, received an award from Computers for Schools Ontario for arranging to donate more than 2,700 refurbished Bank computers.